

DEPARTMENT OF INSURANCE**Legal Division, Rate Enforcement Bureau**

45 Fremont Street, 21st Floor
San Francisco, CA 94105



January 23, 2002

RH-01018834

**WORKSHOP TO OBTAIN WRITTEN PUBLIC INPUT
IN ADVANCE OF PROPOSING REGULATION CHANGES**

Pursuant to California Government Code Section 11346.45(a), the Insurance Commissioner of the State of California ("Commissioner") hereby invites written public comment on the attached proposals which would implement a simplified methodology to calculate the weight of the automobile rating factors. The Commissioner is considering proposing for adoption one of the three attached proposals, and therefore requests comment on the advantages and disadvantages, and specific language, of each proposal and whether such a proposal would accomplish the desired result.

This methodology is designed to achieve the same results as the Single Omit Method provided for in Title 10, California Code of Regulations, Section 2632.8. However, the proposed method will allow for improved regulatory oversight of class plan filings and more effectively allow the California Department of Insurance ("Department") to verify that insurers have correctly assigned the weight calculation and rank order to each rating factor. Unless the Department precisely duplicates the millions of computations required by the single omit method, it is extremely difficult for the Department to determine if an insurance company is correctly complying with the auto rating factor regulations. The proposed method will also allow interested members of the public to verify insurers' calculations.

Any and all comments must be received at the address listed below by 5:00 p.m. on **February 25, 2002**, in order to be considered. Comments and/or questions should be directed to:

Elizabeth Mohr, Assistant Chief Counsel
California Department of Insurance
45 Fremont Street, 21st Floor
San Francisco, CA 94105
(415) 538-4112

Comments may also be sent, subject to the above deadline, to the following e-mail address:
mohre@insurance.ca.gov.

Comments shall be limited to the attached proposed language. Comments on other automobile rating methodology issues are not the subject of this proceeding and, if submitted, will not be considered.

Dated: January 23, 2002

HARRY W. LOW
Insurance Commissioner

By /s/
Elizabeth Mohr
Assistant Chief Counsel